



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

Larry B. Martin
COMMISSIONER

FOR IMMEDIATE RELEASE
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CONTACT: DAVID THURMAN
615-741-4806

NASHVILLE – Tennessee revenue collections continued an upward growth trend in May with a net positive growth of 3.92% over collections made in the same month last year. Finance and Administration Commissioner Larry Martin reported today that overall May revenues were \$905.3 million or \$31.5 million more than the state budgeted. It's the tenth consecutive month this fiscal year in which total collections have reflected positive growth.

"The sales tax growth rate rebounded in May compared to earlier months, mainly because of building materials sales and purchases of new automobiles," Martin said. "Corporate tax collections continued to show strong growth, exceeding budgeted expectations.

"Tennessee's sales tax collections suggest that we are continuing to slowly recover from the worst recession on record. Slow recovery coupled with national and global economic concerns call for us to closely monitor collections and expenditures for the remainder of the year."

On an accrual basis, May is the tenth month in the 2012-2013 fiscal year.

The general fund was over collected by \$35.3 million, and the four other funds were under collected by \$3.8 million.

Sales tax collections were \$11.2 million more than the budgeted estimate for May. The May growth rate was positive 3.97%. For ten months revenues are under collected by \$27.7 million. The year-to-date growth rate for ten months was positive 1.72%.

Franchise and excise taxes combined were \$8.8 million above the budgeted estimate of \$45.3 million. For ten months revenues are \$276.6 million over the budgeted estimate.

Inheritance and estate tax collections were \$17.0 million above the May estimate. For ten months collections are \$27.5 million above the budgeted estimate.

Privilege tax collections were \$3.5 million more the May budgeted estimate, and for ten months collections are \$29.2 million above the budgeted estimate.

Gasoline and motor fuel collections for May decreased by 7.26%, and were \$3.9 million less than the budgeted estimate. For ten months revenues are negative 2.63%, and \$18.5 million below the budgeted estimate of \$702.5 million.

Business tax collections were \$2.0 million less than the May estimate and year to date for ten months collections are \$0.2 million above the budgeted estimate.

Tobacco tax collections were \$1.7 million below the budgeted estimate of \$23.0 million. For ten months revenues are under collected in the amount of \$8.6 million.

All other taxes for May were under collected by a net of \$1.4 million.

Year-to-date collections for ten months were \$319.6 million more than the budgeted estimate. The general fund was over collected by \$319.7 million and the four other funds were under collected by \$0.1 million. The FY 2013 revised budget assumed an over collection of \$305.9 million in General Fund Taxes. Therefore, the amount of over collection, August through May, compared to what's in the revised FY 2013 budget is \$13.8 million (\$319.7 million minus \$305.9 million).

The budgeted revenue estimates for 2012-2013 are based on the State Funding Board's consensus recommendation of December 19th, 2011 and adopted by the second session of the 107th General Assembly in April 2012. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

The State Funding Board met on December 14, 2012 to hear updated revenue projections from the state's various economists. The board met again on December 19th and adopted revised revenue ranges for 2012-2013. The revised ranges assume an over collection from the July 2012 budgeted estimate in the amount of \$203.0 million to \$287.3 million in total taxes and in the amount of \$224.2 million to \$305.9 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
May
2012-2013

| Fund | 2013 | | | | 2012 | 2013 | |
|--------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| General Fund | \$745,001,000 | \$709,748,000 | \$35,253,000 | 4.97% | \$708,809,000 | \$36,192,000 | 5.11% |
| Highway Fund | 55,143,000 | 57,419,000 | (2,276,000) | -3.96% | 57,077,000 | (1,934,000) | -3.39% |
| Sinking Fund | 33,507,000 | 33,417,000 | 90,000 | 0.27% | 32,693,000 | 814,000 | 2.49% |
| City & County Fund | 68,769,000 | 70,329,000 | (1,560,000) | -2.22% | 70,378,000 | (1,609,000) | -2.29% |
| Earmarked Fund | 2,900,000 | 2,899,000 | 1,000 | 0.03% | 2,176,000 | 724,000 | 33.27% |
| Total | \$905,320,000 | \$873,812,000 | \$31,508,000 | 3.61% | \$871,133,000 | \$34,187,000 | 3.92% |

Revenue Collections by Tax
May
2012-2013

| Tax Source | 2013 | | | | 2012 | 2013 | |
|-------------------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| Franchise & Excise | \$45,271,000 | \$36,500,000 | \$8,771,000 | 24.03% | \$40,574,000 | \$4,697,000 | 11.58% |
| Income | 4,038,000 | 5,451,000 | (1,413,000) | -25.92% | 5,599,000 | (1,561,000) | -27.88% |
| Inheritance & Estate | 22,474,000 | 5,479,000 | 16,995,000 | 310.18% | 8,884,000 | 13,590,000 | 152.97% |
| Gasoline | 51,062,000 | 52,018,000 | (956,000) | -1.84% | 54,698,000 | (3,636,000) | -6.65% |
| Petroleum Special | 5,222,000 | 5,483,000 | (261,000) | -4.76% | 5,479,000 | (257,000) | -4.69% |
| Tobacco | 21,325,000 | 23,011,000 | (1,686,000) | -7.33% | 25,916,000 | (4,591,000) | -17.71% |
| Beer | 1,525,000 | 1,848,000 | (323,000) | -17.48% | 1,792,000 | (267,000) | -14.90% |
| Motor Vehicle Registration | 21,346,000 | 20,411,000 | 935,000 | 4.58% | 20,427,000 | 919,000 | 4.50% |
| Motor Vehicle Title | 1,011,000 | 979,000 | 32,000 | 3.27% | 1,222,000 | (211,000) | -17.27% |
| Mixed Drink | 6,430,000 | 5,457,000 | 973,000 | 17.83% | 5,440,000 | 990,000 | 18.20% |
| Business | 47,435,000 | 49,418,000 | (1,983,000) | -4.01% | 44,912,000 | 2,523,000 | 5.62% |
| Privilege | 49,597,000 | 46,086,000 | 3,511,000 | 7.62% | 47,632,000 | 1,965,000 | 4.13% |
| Gross Receipts | 195,000 | 166,000 | 29,000 | 17.47% | 163,000 | 32,000 | 19.63% |
| TVA - In Lieu of Tax Payments | 27,298,000 | 29,385,000 | (2,087,000) | -7.10% | 28,662,000 | (1,364,000) | -4.76% |
| Alcoholic Beverage | 4,712,000 | 4,270,000 | 442,000 | 10.35% | 4,294,000 | 418,000 | 9.73% |
| Sales and Use | 584,795,000 | 573,600,000 | 11,195,000 | 1.95% | 562,472,000 | 22,323,000 | 3.97% |
| Motor Vehicle Fuel | 11,375,000 | 14,080,000 | (2,705,000) | -19.21% | 12,777,000 | (1,402,000) | -10.97% |
| Severance | 196,000 | 168,000 | 28,000 | 16.67% | 187,000 | 9,000 | 4.81% |
| Coin-operated Amusement | 13,000 | 2,000 | 11,000 | 550.00% | 3,000 | 10,000 | 333.33% |
| Unauthorized Substance | 0 | 0 | 0 | NA | 0 | 0 | NA |
| Total | \$905,320,000 | \$873,812,000 | \$31,508,000 | 3.61% | \$871,133,000 | \$34,187,000 | 3.92% |

Table 2
Revenue Collections by Fund
Year-to-Date
August - May
2012-2013

| Fund | 2012-2013 | | | | 2011-2012 | 2012-2013 | |
|--------------------|------------------------|------------------------|----------------------|--------------|------------------------|----------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| General Fund | \$7,980,579,000 | \$7,660,905,000 | \$319,674,000 | 4.17% | \$7,660,152,000 | \$320,427,000 | 4.18% |
| Highway Fund | 569,571,000 | 576,784,000 | (7,213,000) | -1.25% | 568,505,000 | 1,066,000 | 0.19% |
| Sinking Fund | 334,486,000 | 334,766,000 | (280,000) | -0.08% | 326,836,000 | 7,650,000 | 2.34% |
| City & County Fund | 741,587,000 | 734,208,000 | 7,379,000 | 1.01% | 721,884,000 | 19,703,000 | 2.73% |
| Earmarked Fund | 29,000,000 | 29,001,000 | (1,000) | 0.00% | 21,750,000 | 7,250,000 | 33.33% |
| Total | \$9,655,223,000 | \$9,335,664,000 | \$319,559,000 | 3.42% | \$9,299,127,000 | \$356,096,000 | 3.83% |

Revenue Collections by Tax
Year-to-Date
August - May
2012-2013

| Tax Source | 2012-2013 | | | | 2011-2012 | 2012-2013 | |
|-------------------------------|------------------------|------------------------|----------------------|--------------|------------------------|----------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| Franchise & Excise | \$1,618,255,000 | \$1,341,700,000 | \$276,555,000 | 20.61% | \$1,427,384,000 | \$190,871,000 | 13.37% |
| Income | 259,982,000 | 212,065,000 | 47,917,000 | 22.60% | 180,551,000 | 79,431,000 | 43.99% |
| Inheritance & Estate | 94,634,000 | 67,175,000 | 27,459,000 | 40.88% | 128,680,000 | (34,046,000) | -26.46% |
| Gasoline | 504,851,000 | 510,021,000 | (5,170,000) | -1.01% | 508,290,000 | (3,439,000) | -0.68% |
| Petroleum Special | 51,741,000 | 53,397,000 | (1,656,000) | -3.10% | 52,355,000 | (614,000) | -1.17% |
| Tobacco | 225,678,000 | 234,270,000 | (8,592,000) | -3.67% | 230,667,000 | (4,989,000) | -2.16% |
| Beer | 14,719,000 | 14,959,000 | (240,000) | -1.60% | 14,624,000 | 95,000 | 0.65% |
| Motor Vehicle Registration | 213,508,000 | 213,673,000 | (165,000) | -0.08% | 205,863,000 | 7,645,000 | 3.71% |
| Motor Vehicle Title | 9,499,000 | 9,712,000 | (213,000) | -2.19% | 10,078,000 | (579,000) | -5.75% |
| Mixed Drink | 57,591,000 | 52,605,000 | 4,986,000 | 9.48% | 53,590,000 | 4,001,000 | 7.47% |
| Business | 118,467,000 | 118,242,000 | 225,000 | 0.19% | 111,908,000 | 6,559,000 | 5.86% |
| Privilege | 224,143,000 | 194,951,000 | 29,192,000 | 14.97% | 198,538,000 | 25,605,000 | 12.90% |
| Gross Receipts | 11,460,000 | 14,051,000 | (2,591,000) | -18.44% | 16,339,000 | (4,879,000) | -29.86% |
| TVA - In Lieu of Tax Payments | 282,790,000 | 293,129,000 | (10,339,000) | -3.53% | 287,656,000 | (4,866,000) | -1.69% |
| Alcoholic Beverage | 43,709,000 | 42,368,000 | 1,341,000 | 3.17% | 42,242,000 | 1,467,000 | 3.47% |
| Sales and Use | 5,794,574,000 | 5,822,300,000 | (27,726,000) | -0.48% | 5,696,470,000 | 98,104,000 | 1.72% |
| Motor Vehicle Fuel | 127,449,000 | 139,120,000 | (11,671,000) | -8.39% | 131,748,000 | (4,299,000) | -3.26% |
| Severance | 2,030,000 | 1,839,000 | 191,000 | 10.39% | 2,079,000 | (49,000) | -2.36% |
| Coin-operated Amusement | 139,000 | 87,000 | 52,000 | 59.77% | 84,000 | 55,000 | 65.48% |
| Unauthorized Substance | 4,000 | 0 | 4,000 | NA | (19,000) | 23,000 | NA |
| Total | \$9,655,223,000 | \$9,335,664,000 | \$319,559,000 | 3.42% | \$9,299,127,000 | \$356,096,000 | 3.83% |